

**DEPARTMENT OF SOCIAL AND HEALTH SERVICES  
HEALTH AND RECOVERY SERVICES ADMINISTRATION  
Olympia, Washington**

**To:** Oxygen Providers  
Inhalation/Respiratory Therapists  
Pharmacists  
Home Health Agencies  
Managed Care Organizations

**Memorandum No: 06-104**  
**Issued:** December 14, 2006

**From:** Douglas Porter, Assistant Secretary  
Health and Recovery Services  
Administration (HRSA)

**For information contact:**  
800.562.3022 or go to:  
<http://maa.dshs.wa.gov/contact/prucontact.asp>

**Subject: Oxygen and Respiratory Therapy Program: Fee Schedule Changes**

**Effective for dates of service on and after January 1, 2007**, HRSA will update the billing instructions to match current Medicare policies of the Centers for Medicare and Medicaid Services related to rental and ownership of specific equipment. HRSA has also updated the fee schedule to match the national Level II Healthcare Common Procedure Coding System (HCPCS) related to the Oxygen and Respiratory Therapy Program.

### **What has changed?**

Some HCPCS codes for the Oxygen and Respiratory Therapy program will be revised to reflect codes that have been discontinued, added or changed.

The changes to both the policy and rates fee schedules are:

- Retroactive to January 1, 2006, Medicare requires suppliers to transfer ownership of oxygen equipment to the client after 36 months of rental payments. The following codes are affected: E0424, E0431, K0738, E0434, E0439, E1390, and E1392 and new code K0738. Items that have already been rented since January 2006 will be considered purchased in January 2009.
- Code K0671 has been discontinued from the fee schedule as it was superseded by E1392 on 1/1/2006.
- Code E0570 RR has been discontinued – 2 months mandatory rental is not required prior to purchase and no rental for short-term use of nebulizers is allowed.
- E0600 – changed to allow rental only.
- E1399 billed with EPA #870000910 for non-disposable resuscitator bags is no longer covered.
- E0601, E0471, E0472 – for client-owned equipment, maintenance checks will no longer be covered per Medicare guidelines.
- E0471, E0472 – removed statement about U2 modifier. Adding the paragraph that starts with “U2 modifier” was a publication error in Memorandum 06-54, the two items are not eligible for backup equipment.

The PA (Prior Authorization) column has been deleted in the Oxygen and Respiratory Therapy Fee Schedule.

## Fee Schedule

You may view the updated Oxygen and Respiratory Therapy Fee Schedule at <http://maa.dshs.wa.gov/RBRVS/Index.html>. See “How can I get HRSA’s provider documents?” section below of this memorandum to find out how to request a paper copy.

## Contact Information

### Send reimbursement rate issues, questions, or comments to:

Oxygen and Respiratory Rates Manager  
Professional Reimbursement Section  
Division of Finance and Rate Development  
PO Box 45510  
Olympia, WA 98504-5510  
360.725.2139  
Fax # 360.753.9152

### Send authorization issues, questions, or comments to:

Oxygen and Respiratory Policy Manager  
Division of Medical Benefits and Care  
Management  
PO Box 45506  
Olympia WA 98504-5506  
360.725.1577  
Fax # 360.586.1471

## How do I conduct business electronically with HRSA?

You may conduct business electronically with HRSA by accessing the WAMedWeb at <http://wamedweb.acs-inc.com>.

## How can I get HRSA’s provider documents?

To obtain DSHS/HRSA provider numbered memoranda and billing instruction, go to the DSHS/HRSA website at <http://hrsa.dshs.wa.gov> (click *the Billing Instructions and Numbered Memorandum* link). These may be downloaded and printed.